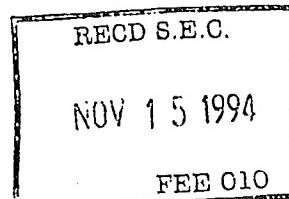


**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM S-8**  
**REGISTRATION STATEMENT**  
**UNDER**  
**THE SECURITIES ACT OF 1933**

AMERICA ONLINE, INC.



**Delaware**  
 (State or other jurisdiction  
 of incorporation or organization)

**54-1322110**  
 (I.R.S. employer identification  
 number)

8619 WESTWOOD CENTER DRIVE, VIENNA, VIRGINIA 22182-2285

**REDGATE COMMUNICATIONS CORPORATION**  
**1989 STOCK OPTION PLAN**

ELLEN M. KIRSH, ESQ.  
 Vice President, General Counsel and Secretary  
 America Online, Inc.  
 8619 Westwood Center Drive  
 Vienna, Virginia 22182-2285  
 (703) 448-8700

## Copy to:

Martin H. Levenglick, Esq.  
 O'Sullivan Graev & Karabell  
 30 Rockefeller Plaza  
 New York, New York 10112  
 (212) 408-2400

**CALCULATION OF REGISTRATION FEE**

Title of securities to be registered	Amount to be registered	Proposed maximum offering price per share(1)	Proposed maximum aggregate offering price(2)	Amount of registration fee(3)
Common Stock; \$0.01 par value	100,260 shares	\$23.77	\$2,382,962.08	\$822

- (1) The maximum offering price per share of Common Stock issuable upon exercise of 100,260 options to be granted after filing of this Registration Statement has been determined solely for the purpose of calculating the registration fee pursuant to Rules 457(c) and (h) under the Securities Act, based in part on the exercise price of the options covered hereby and in part on the average of the high and low prices for the Common Stock as quoted on the Nasdaq Stock Market National Market on November 9, 1994.
- (2) The maximum aggregate offering price of 100,260 shares of Common Stock to be registered pursuant to this Registration Statement has been determined solely for the purpose of calculating the registration fee pursuant to Rules 457(c) and (h) under the Securities Act of 1933, as amended (the "Securities Act"), based in part on the exercise price of the options covered hereby and in part on the average of the high and low prices for the Common Stock as quoted on the Nasdaq Stock Market National Market on November 9, 1994.
- (3) The Company adopted the Rights Agreement on April 23, 1993. Pursuant to such shareholder rights plan, the right to receive one additional share of common stock for each share of Common Stock was provided to holders of the Common Stock under certain defined circumstances; none of such rights are currently exercisable. Value attributable to such rights, if any, is reflected in the market price of the Common Stock. The amount of registration fee with respect to the rights represents the minimum statutory fee pursuant to Section 6(b) of the Securities Act of 1933..

**PART I**  
**INFORMATION REQUIRED IN THE  
SECTION 10(a) PROSPECTUS**

The document(s) containing the information specified in Part I will be sent or given to employees as specified by Rule 428(b)(1). Such documents are not being filed with the Securities and Exchange Commission (the "Commission") either as part of this Registration Statement or as prospectuses or prospectus supplements pursuant to Rule 424. Such documents and the documents incorporated by reference in this Registration Statement pursuant to Item 3 of Part II of this Form, taken together, constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act.

**PART II**  
**INFORMATION REQUIRED IN THE REGISTRATION STATEMENT**

**Item 3. Incorporation of Documents by Reference**

(a) The following documents, which have been filed by America Online, Inc., a Delaware corporation (the "Corporation"), with the Commission, are incorporated herein by reference:

(i) The Corporation's Annual Report on Form 10-K for the fiscal year ended June 30, 1994, filed with the Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(ii) All other reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act since June 30, 1994.

(iii) The description of the Common Stock contained in the Corporation's Registration Statement on Form 8-A, filed with the Commission pursuant to the Exchange Act, including any amendment or report filed for the purpose of updating such description.

(b) In addition, all documents filed by the Corporation with the Commission pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference herein and to be part hereof from the date of the filing of such documents.

**Item 4. Description of Securities**

Not applicable.

**Item 5. Interests of Named Experts and Counsel**

Not applicable.

**Item 6. Indemnification of Directors and Officers**

Pursuant to Section 102(b)(7) of the Delaware General Corporation Law (the "Delaware Statute"), Article Ninth of the Registrant's Restated Certificate of Incorporation (the "Certificate of Incorporation") (filed as Exhibit 3.1 to the Registrant's Form 10-Q for the quarter ended March 31, 1992) provides that:

2. To the fullest extent permitted by the Delaware General Corporation Law as the same now exists or may hereafter be amended, the Corporation shall indemnify, and advance expenses to, its directors and officers and any person who is or was serving at the request of the Corporation as a director or officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise. The Corporation, by action of its board of directors, may provide indemnification or advance expenses to employees and agents of the Corporation or other persons only on such terms and conditions and to the extent determined by the board of directors in its sole and absolute discretion.
3. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article Ninth shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any By-Law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.
4. The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under this Article Ninth.
5. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article Ninth shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such officer or director. The indemnification and advancement of expenses that may have been provided to an employee or agent of the Corporation by action of the board of directors, pursuant to the last sentence of Paragraph 1 of this Article Ninth, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be an employee or agent of the Corporation and shall inure to the benefit of the heirs, executors and administrators of such a person, after the time such person has ceased to be an employee or agent of the Corporation, only on such terms and conditions and to the extent determined by the board of directors in its sole discretion.

Section 145 of the Delaware Statute provides for indemnification by the Registrant of its directors and officers. In addition, Article Five of the Registrant's By-Laws (filed as Exhibit 3.2 to the Registrant's Form 10-K for the year ended June 30, 1992) provides that:

6. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or an officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "Indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorney's fees, judgements, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such Indemnitee in connection therewith; provided, however, that, except as provided in Section 3 of this Article with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such Indemnitee in connection with a proceeding (or part thereof) initiated by such Indemnitee only if such proceeding (or part thereof) was authorized by the board of directors of the Corporation.

7. Right to Advancement of Expenses. The right to indemnification conferred in Section 1 of this Article shall include the right to be paid by the Corporation the expenses (including attorney's fees) incurred in defending any such proceeding in advance of its final disposition; provided, however, that, if the Delaware General Corporation Law requires, an advancement of expenses incurred by an Indemnitee in his capacity as a director or officer (and not in any other capacity in which service was or is rendered by such Indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such Indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such Indemnitee is not entitled to be indemnified for such expenses under this Section 2 or otherwise. The rights to indemnification and to the advancement of expenses conferred in Sections 1 and 2 of this Article shall be contract rights and such rights shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the Indemnitee's heirs, executors and administrators. Any repeal or modification of any of the provisions of this Article shall not adversely affect any right or protection of an Indemnitee existing at the time of such repeal or modification.

8. Right of Indemnitees to Bring Suit. If a claim under Section 1 or 2 of this Article is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) days, the Indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Indemnitee shall also be entitled to be paid the expenses of prosecuting or defending such suit. In (i) any suit brought by the Indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the Indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the Indemnitee has not met any applicable standard for indemnification set forth in the Delaware General Corporation Law. Neither the failure of the Corporation (including its board of directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its board of directors, independent legal counsel, or its stockholders) that the Indemnitee has not met such applicable standard of conduct, shall create a presumption that the Indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the Indemnitee, be a defense to such suit. In any suit brought by the Indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article or otherwise shall be on the Corporation.

9. Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the Corporation's Certificate of Incorporation as amended from time to time, these by-laws, any agreement, any vote of stockholders or disinterested directors or otherwise.

10. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

11. Indemnification of Employees and Agents of the Corporation. The Corporation may, to the extent authorized from time to time by the board of directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

(a) The directors and officers of the Registrant are covered by a policy of liability insurance.

**Item 7.           Exemption from Registration Claimed**

Not applicable.

**Item 8.           Exhibits**

Exhibit No.                   Description

- |      |   |
|------|---|
| 4.1  | Restated Certificate of Incorporation of America Online, Inc. (filed as Exhibit 3.1 of the Corporation's filing on Form 10-Q for the quarter ending March 31, 1992, File No. 0-19836, and incorporated herein by reference) |
| 4.2  | Restated By-laws of America Online, Inc. (filed as Exhibit 3.2 of the Corporation's filing on Form 10-K for the year ended June 30, 1993, File No. 0-19836 and incorporated herein by reference)                            |
| 4.3  | Redgate Communications Corporation 1989 Stock Option Plan   |
| 4.4  | Form of Nontransferable Incentive Stock Option Agreement under the Redgate Communications Corporation 1989 Stock Option Plan  |
| 5    | Opinion of Ellen M. Kirsh, Esq. General Counsel to America Online, Inc. (including the consent of such General Counsel) regarding the legality of securities being offered  |
| 23.1 | Consent of Ellen M. Kirsh, Esq. General Counsel to America Online, Inc. (included in her opinion filed as Exhibit 5 hereto)   |
| 23.2 | Consent of Ernst & Young LLP, independent auditors (included on page II-10)   |
| 24   | Powers of Attorney  |

**Item 9.           Undertakings**

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the registration statement is on Form S-3, Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

THIS DOCUMENT CONSTITUTES PART OF A  
PROSPECTUS COVERING SECURITIES THAT HAVE  
BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933.

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SUMMARY PLAN DESCRIPTION

REDGATE COMMUNICATIONS CORPORATION  
1989 STOCK OPTION PLAN

No person has been authorized to give any information or to make any representations in connection with this offering other than those contained in this Summary Plan Description (this "Summary"). If given or made, such representations must not be relied upon as having been authorized by America Online, Inc. (the "Company"). This Summary shall not constitute an offer to sell, or the solicitation of an offer to buy, other than the registered securities to which it relates or an offer to, or a solicitation of, any person in any jurisdiction in which such offer or solicitation would be unlawful.

This Summary is qualified in its entirety by reference to the provisions of the Redgate Communications Corporation 1989 Stock Option Plan, a copy of which is attached.

Neither the delivery of this Summary nor any sale of securities to which it relates shall create any implication that there has been no change in the affairs of the Company since the date hereof.

The date of this Summary is November 14, 1994.

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## INTRODUCTION

This Summary relates to shares of the Common Stock, \$.01 par value (the "Common Stock"), of America Online, Inc., a Delaware corporation (the "Company"), that are issuable upon exercise of stock options granted by Redgate Communications Corporation, a Delaware corporation and wholly-owned subsidiary of the Company ("Redgate"), to employees and consultants of Redgate, the Company and the subsidiaries of Redgate pursuant to the Redgate Communications Corporation 1989 Stock Option Plan (the "Plan"). Pursuant to the merger of Redgate with a wholly-owned subsidiary of the Company, Redgate became a wholly-owned subsidiary of the Company, and the Company assumed the Plan. All references in the Plan to the "Company" refer to the Company, not Redgate. The Plan provides for the grant of both "incentive stock options" ("ISOs") intended to qualify as such under the provisions of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), and stock options that are non-qualified for Federal income tax purposes ("NSOs"). The principal executive offices of the Company are located at 8619 Westwood Center Drive, Vienna, Virginia 22182-2285, telephone (703) 448-8700.

## THE PLAN

Purposes of the Plan. (i) to attract and retain the best available personnel for positions of substantial responsibility, (ii) to provide additional incentive to such individuals of the Company and (iii) to promote the success of the Company's business.

Duration; Amendments. The Plan became effective on October 5, 1989. No options may be granted under the Plan after October 4, 1999.

The Board of Directors of the Company (the "Board") may at any time terminate or amend the Plan. The approval of the stockholders of the Company must be obtained prior to the following amendments (i) any increase in the number of shares subject to the Plan, other than in connection with an adjustment upon changes in capitalization, (ii) any change in the designation of the class of persons eligible to be granted options or (iii) any material increase in the benefits accruing

to participants under the Plan. No such termination or amendment shall affect any outstanding option granted under the Plan without the consent of the holder of such option.

ERISA. The Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Administration of Plan. The Plan is administered by the Compensation Committee (the "Committee") of the Board of Directors, consisting of three or more directors of the Company appointed from time to time by the Board. Any member of the Committee may be removed at any time either with or without cause by the Board. Any vacancy on the Committee, whether due to action of the Board or any other cause, shall be filled by the Board. The Plan is intended to comply with Rule 16b-3 under the Exchange Act with respect to participants who are subject to Section 16 of the 1934 Act, and any provision in the Plan with respect to such persons contrary to Rule 16b-3 shall be deemed null and void to the extent permissible by law and deemed appropriate by the Committee. Members of the Committee, including any employee director who is a member of the Committee, are not eligible to receive options under the Plan.

Consistent with the terms of the Plan, the Committee has the authority, in its discretion: (i) to grant ISOs or NSOs; (ii) to determine, in accordance with the Plan, the fair market value of the Common Stock; (iii) to determine in accordance with the Plan the exercise price per share of options to be granted; (iv) to determine the employees or consultants to whom, and the time or times at which, options shall be granted and the number of shares to be represented by each option; (v) to interpret the Plan; (vi) to prescribe, amend and rescind the rules and regulations relating to the Plan; (vii) to determine the terms and provisions of each option granted (which need not be identical) and, with the consent of the holder thereof, modify or amend each option; (viii) to accelerate or defer (with the consent of the optionee) the exercise date of any option, consistent with the provisions of the Plan; (ix) to authorize any person to execute on behalf of the Company any instrument required to effectuate the grant of an option previously granted by the Board; and (x) to make all other determinations deemed necessary or advisable for the administration of the Plan.

The current members of the Committee are Messrs. James G. Andress, Alexander M. Haig, Jr. and William N. Melton, each of whom is a non-employee director of the Company. As of November 1, 1994, Mr. Andress has been granted options to purchase 10,000 shares of Common Stock. General Haig has been granted options to purchase 44,000 shares of Common Stock; and Mr. Melton beneficially owns 50,000 shares of Common Stock and has been granted options to purchase 10,000 shares of Common Stock. None of the foregoing options were granted under the Plan.

Additional Information. Additional information about the Plan and the Committee may be obtained from:

Ellen M. Kirsh, Esq.  
Vice President, General Counsel  
and Secretary  
America Online, Inc.  
8619 Westwood Center Drive  
Vienna, Virginia 22182-2285  
Tel. (703) 448-8700

#### THE SECURITIES

The capital stock with respect to which options may be granted are shares of authorized but unissued Common Stock. The aggregate number of shares of Common Stock which may be issued upon the exercise of all options granted under the Plan may not exceed 100,260. Shares of Common Stock issuable upon the exercise of options granted pursuant to the Plan which have terminated or expired are available for the granting of future options under the Plan.

## ELIGIBLE PERSONS

The Committee may grant options under the Plan to any person who is an employee or consultant of Redgate, the Company or any subsidiary of Redgate at the time of such grant, other than any such employee or consultant who is serving as a member of the Committee. Non-employee directors of the Company are not eligible to receive options under the Plan unless they serve as a consultant and are compensated for their services in addition to any director's fee that they may receive.

## PURCHASE OF SECURITIES

General Terms. The amount of and exercise price for the shares of Common Stock to be issued pursuant to the exercise of an option granted under the Plan are determined in each case by the Committee and set forth in a stock option agreement between the Company and the optionee. The exercise price per share of an ISO may not be less than 100% of the fair market value of a share of Common Stock on the date on which the option is granted. With respect to any employee who owns stock representing more than 10% of the voting power of the outstanding capital stock of the Company, the exercise price per share of any ISO may not be less than 110% of the fair market value of a share of Common Stock on the date of grant and the term of such option may not exceed five years. The exercise price per share of an NSO may not be less than 85% of the fair market value of a share of Common Stock on the date of grant. With respect to any employee who owns stock representing more than 10% of the voting power of the outstanding capital stock of the Company, the exercise price per share of any NSO may not be less than 110% of the fair market value of a share of Common Stock on the date of grant.

Each stock option agreement also states the period, as determined by the Committee, within which the option may be exercised by the optionee, but no option granted under the Plan may be exercisable more than 10 years after the date of its grant (5 years, in the case of an ISO granted to a greater-than-10% stockholder). Options granted under the Plan vest as stated in the stock option agreement. (Options granted under the Plan

typically vest in equal monthly installments over a five-year period and expire after ten years).

Payment of Exercise Price. All of the exercise price payable to the Company for the shares for which any option is exercised may be paid, at the discretion of the Committee and as stated in the stock option agreement, in cash or by certified check, promissory note or by the optionee's surrender of outstanding shares of Common Stock which (i) either have been owned by the Optionee for more than six months on the date of surrender or were not acquired, directly or indirectly from the Company, and (ii) have a fair market value on the date of exercise equal to the exercise price, or by a combination of such methods or such other consideration and method of payment for the issuance of shares to the extent permitted under Sections 152 and 153 of the Delaware General Corporation Law. Prior to issuance of the shares upon exercise of an option, the optionee shall pay or make adequate provision for any federal or state withholding obligations of the Company, if applicable.

Termination of Employment. If an optionee ceases to be an employee or consultant of Redgate, the Company or one of Redgate's subsidiaries other than because of his or her death or total disability, an otherwise exercisable option expires three months in the case of an ISO or six months in the case of an NSO following the date of such termination, but in no event later than the date of expiration of the term of such option as set forth in the option agreement. If an optionee ceases to be an employee or consultant of Redgate, the Company or one of Redgate's subsidiaries because of his or her total and permanent disability, an otherwise exercisable option expires one year following the date of such termination, but in no event later than the date of expiration of the term of such option as set forth in the option agreement. If an optionee ceases to be an employee or consultant of Redgate, the Company or one of Redgate's subsidiaries because of his or her death or if an optionee dies within three months or such shorter period specified at the time of grant following such persons termination as an employee or consultant of Redgate, the Company or one of Redgate's subsidiaries, an otherwise exercisable option expires six months following the date of death, but in no event later than the date of expiration of the term of such option as set forth in the option agreement.

No Transfer of Options. Options issued under the Plan are not transferable (whether by assignment, sale, hypothecation or otherwise) other than by will or the laws of descent and distribution and may be exercised, during the lifetime of the optionee, only by the optionee.

Adjustments. In the event of the proposed dissolution or liquidation of the Company, all options will terminate immediately prior to the consummation of such proposed action, unless otherwise provided by the Committee. The Committee may, in the exercise of its sole discretion in such instances, declare that any option shall terminate as of a date fixed by the Committee and give each optionee the right to exercise his or her option as to all or any part of the optioned stock, including shares as to which the option would not otherwise be exercisable.

In the event of a proposed sale of all or substantially all of the assets of the Company, or the merger of the Company with or into another corporation, each option shall be assumed or an equivalent option shall be substituted by such successor corporation or a parent or subsidiary of such successor corporation, unless such successor corporation does not agree to assume the option or to substitute an equivalent option, in which case the Committee shall, in lieu of such assumption or substitution, provide for the optionee to have the right to exercise the option as to all of the optioned stock, including shares as to which the option would not otherwise be exercisable.

If the Committee makes an option fully exercisable in lieu of assumption or substitution in the event of a merger or sale of assets, the Committee shall notify the optionee that the option shall be fully exercisable for a period of fifteen (15) days from the date of such notice, and the option will terminate upon the expiration of such period. In the event of an increase or decrease in the number of issued shares of Common Stock as the result of a stock split, reverse stock split, stock dividend, combination or reclassification or otherwise, the Committee shall make proportional adjustments in the number of shares covered by the option and the exercise price.

## RESALE OF SECURITIES

Officers and directors of the Company or owners of 10% or more of the Common Stock of the Company or those otherwise deemed, under applicable rules and regulations of the Securities and Exchange Commission (the "Commission"), to be in a position to control the Company may reoffer or resell shares of Common Stock acquired upon the exercise of options granted pursuant to the Plan only in connection with a separate registration statement which has been declared effective under the Securities Act of 1933, as amended (the "Securities Act"), or pursuant to an available exemption under the Securities Act, including the exemption provided by Rule 144 promulgated under the Securities Act ("Rule 144"). Rule 144 is subject to certain limitations set forth therein. The Company has no obligation to file or have declared effective any registration statement in connection with the resale of any securities acquired pursuant to the Plan. Employees and consultants of Redgate, the Company or any of Redgate's subsidiaries who acquire shares of Common Stock pursuant to the Plan should consult with counsel for the Company to ascertain whether or not their position within the Company requires compliance with the resale restrictions described above.

## FEDERAL INCOME TAX CONSEQUENCES

The following is a brief discussion of the Federal income tax consequences of transactions under the Plan based on the Code. This discussion is not intended to be exhaustive and does not describe foreign, state or local tax consequences. None of the Company, the Board, the Committee or any member of any of the foregoing has any liability or responsibility to pay, or reimburse any optionee for the payment of, any tax arising out of the issuance of an option under the Plan, an optionee's exercise of any option issued under the Plan or an optionee's sale, transfer or other disposition of any shares acquired pursuant to the exercise of an option granted under the Plan.

The Plan is not qualified under Section 401(a) of the Code.

NSOs. An NSO granted under the Plan is taxed in accordance with Section 83 of the Code and the regulations issued thereunder. The following general rules are applicable to holders of such "non-statutory" options and to the Company for Federal income tax purposes under existing law, based upon the assumption that such NSOs under the Plan do not have a readily ascertainable fair market value at the time of grant.

1. The optionee will not recognize any income on the grant of the option pursuant to the Plan.

2. The optionee will recognize ordinary compensation income at the time of exercise of the option in an amount equal to the excess of the fair market value of the shares acquired on the date of exercise, over the exercise price thereof.

3. When the optionee sells the shares, he or she will recognize capital gain or loss (assuming the shares are held as a capital asset) in an amount equal to the difference between the fair market value of the shares on the date of exercise and his or her selling price.

4. In general, the Company will be entitled to a tax deduction in the year in which the ordinary compensation income based on exercise is recognized by the optionee and in the same amount of such ordinary compensation income recognized by the optionee, subject to applicable tax withholding requirements.

5. Upon the exercise of an NSO, the Company is entitled to require as a condition of delivery of the shares of Common Stock that the optionee remit an amount sufficient to satisfy all Federal and state withholding tax relating thereto.

ISOs. The following Federal income tax consequences are applicable to ISOs granted and exercised pursuant to the Plan.

1. If the optionee does not own stock possessing more than 10% of the total voting power of all classes of stock of the Company (or if the optionee owns stock possessing more than 10% of the total voting power of all classes of stock of the Company, the option price is at least 110% of the fair market value of the shares on the date of grant and the option by its terms is not

exercisable more than five years from the date of grant), no regular taxable income results to the optionee upon the grant of an ISO or upon the issuance of shares to him or her upon exercise of the option.

1 Upon exercise of an ISO, the excess of the fair market value of the shares acquired on the date of exercise over the exercise price thereof is an alternative minimum tax ("AMT") preference item that increases the optionee's alternative minimum taxable income and may result in AMT being payable by the optionee.

2 No tax deduction is allowed to the Company upon either the grant or exercise of an ISO.

3 If shares acquired upon exercise of an ISO are not disposed of (i) within the two years following the date the option was granted or (ii) within one year following the date the shares are transferred to the optionee pursuant to the option exercise (the "Holding Periods"), the difference between the amount realized on any disposition of the shares thereafter and the exercise price will be treated as long-term capital gain or loss to the optionee.

4 If shares acquired upon exercise of an ISO are disposed of before the expiration of either of the Holding Periods (a "disqualifying disposition"), then the lesser of (i) any excess of the fair market value of the shares at the time of exercise of the option over the exercise price or (ii) the actual gain on disposition will be treated as compensation to the optionee and will be taxed as ordinary income in the taxable year in which the disposition occurs.

5 In any taxable year that an optionee recognizes compensation income on a disqualifying disposition of an ISO, the Company will generally be entitled to a corresponding deduction, subject to applicable tax withholding requirements.

6 At the time of a disqualifying disposition, the optionee must remit to the Company in cash the amount of any applicable Federal and state withholding taxes.

7 Any excess of the amount realized by the optionee on disposition over the sum of (i) the exercise price and (ii) the amount of ordinary income recognized under the above rules may be either long-term or short-term capital gain, depending upon the time elapsed between receipt and disposition of such shares.

8 An option will not be treated as an ISO to the extent the aggregate fair market value for which ISOs are exercisable by an optionee for the first time in a calendar year exceeds \$100,000.

Pyramiding. When an optionee exercises an option by exchanging other Common Stock of the Company owned by him or her ("old stock") instead of, or in addition to, payment of the option price in cash (a payment method known as "pyramiding"), no gain or loss will be recognized with respect to the exchange of any old stock, and shares acquired upon exercise of the option will not be subject to tax as explained above until the shares are sold. However, an exception exists to this rule when the old stock is "statutory option stock" (as defined below) that has been held for less than the applicable holding period under the Code. In that event, the optionee will realize ordinary compensation income with respect to the old stock in an amount equal to the excess of the fair market value of the old stock on the date it was originally acquired pursuant to exercise of a stock option over the original option exercise price (and the Company would be entitled to a corresponding deduction, subject to the withholding obligation). Any additional gain realized in excess of such ordinary compensation income will be treated as long-term or short-term capital gain, as the case may be. "Statutory option stock" consists of stock acquired through the exercise of a qualified stock option, an incentive stock option, an option acquired under an employee stock purchase plan or a restricted stock option pursuant to various provisions of the Code.

THE DISCUSSION ABOVE IS INTENDED ONLY AS A SUMMARY AND DOES NOT PURPORT TO BE A COMPLETE DISCUSSION OF ALL POTENTIAL TAX EFFECTS RELEVANT TO RECIPIENTS OF OPTIONS UNDER THE PLAN. AMONG OTHER ITEMS, SUCH DISCUSSION DOES NOT ADDRESS TAX CONSEQUENCES UNDER THE LAWS OF ANY STATE, LOCAL OR FOREIGN JURISDICTION, OR ANY TAX TREATY OR CONVENTION BETWEEN THE UNITED STATES AND ANY FOREIGN JURISDICTION. SUCH DISCUSSION IS BASED UPON CURRENT LAW AND INTERPRETATIONAL AUTHORITIES WHICH ARE SUBJECT TO CHANGE AT ANY TIME. IT IS STRONGLY RECOMMENDED THAT INDIVIDUALS CONSULT WITH THEIR OWN TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF RECEIPT AND EXERCISE OF OPTIONS AND RELATED TRANSACTIONS WITH RESPECT TO THEIR PERSONAL TAX CIRCUMSTANCES.

#### FURTHER INFORMATION

On November 14, 1994, the Company filed with the Commission a registration statement on Form S-8 (together with all amendments and supplements thereto, the "Registration Statement") under the Securities Act with respect to the issuance and acquisition of securities pursuant to options granted under the Plan. The Company is also subject to the reporting requirements of the Exchange Act, and in accordance therewith files periodic reports and other information with the Commission.

The Registration Statement and this Summary incorporate by reference the following documents so filed by the Company:

- 1      The Company's Annual Report on Form 10-K for the fiscal year ended June 30, 1994.
- 2      All other reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act since June 30, 1994.
- 3      The description of the Common Stock which is contained in the Company's Registration Statement on Form 8-A, filed with the Commission pursuant to the Exchange Act, including any amendment or report filed for the purpose of updating such description.

In addition, all reports and other documents subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act prior to the filing of a post-effective amendment to the Registration Statement which indicates that all securities offered thereby have been sold or which deregisters all securities then remaining unsold, are incorporated by reference in the Registration Statement and this Summary from the date of filing of such reports and documents.

THE REPORTS AND OTHER DOCUMENTS INCORPORATED HEREIN BY REFERENCE ARE AVAILABLE WITHOUT CHARGE, UPON WRITTEN OR ORAL REQUEST, FROM ELLEN M. KIRSH, ESQ., AMERICA ONLINE, INC., 8619 WESTWOOD CENTER DRIVE, VIENNA, VIRGINIA 22182-2285, TEL. (703) 488-8700.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Vienna, State of Virginia, on this 14 day of November, 1994.

AMERICA ONLINE, INC.

\*

By: \_\_\_\_\_

Stephen M. Case  
President, Chief Executive Officer  
and Director

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed on the 14 day of November, 1994, by the following persons in the capacities indicated.

Signature

Title

\*

\_\_\_\_\_  
James V. Kimsey

Chairman of the Board and Director

\*

\_\_\_\_\_  
Stephen M. Case

President, Chief Executive Officer and Director  
(Principal Executive Officer)

\*

\_\_\_\_\_  
Frank J. Caufield

Director

\*

\_\_\_\_\_  
Alexander M. Haig, Jr.

Director

\*

\_\_\_\_\_  
William N. Melton

Director

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\_\_\_\_\_  
Scott C. Smith

Director

Signature

LENNERT J. LEADER

Lennert J. Leader

Title

Senior Vice President, Chief Financial Officer,  
Treasurer and Chief Accounting Officer (Principal  
Financial and Accounting Officer)

LENNERT J. LEADER

\*By: \_\_\_\_\_

Lennert J. Leader

*Attorney-In-Fact*